

## Message Text

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ACTION NEA-10

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R 190641Z JUL 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 7202

UNCLAS NEW DELHI 10506

E.O. 11652: N/A

TAGS: ELAB, IN

SUBJECT: INTUC GENERAL SECRETARY RAMANUJAM ON LABOR RELATIONS  
DURING THE EMERGENCY

FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA FM MADRAS

JUL 16, 1976 IS REPEATED TO YOU:

QUOTE

MADRAS 1243

E.O. 11652: N/A

TAGS: ELAB, IN

SUBJECT: INTUC GENERAL SECRETARY RAMANUJAM ON LABOR  
RELATIONS DURING THE EMERGENCY

1. G. RAMAJUJAM, GENERAL SECRETARY, INDIAN NATIONAL  
TRADE UNION CONGRESS (INTUC) AND PRESIDENT, TAMILNADU  
INTUC, SPEAKING ON JULY 15 IN MADRAS AT A SYMPOSIUM  
ON THE ACHIEVEMENTS OF THE PRIME MINISTER'S 20- POINT  
PROGRAM, SPONSORED BY THE SOUTHERN INDIA CHAMBER OF  
COMMERCE, MADE THE FOLLOWING OBSERVATIONS ON LABOR RELATIONS  
DURING THE EMERGENCY.

2. THE NUMBER OF MAN - DAYS LOST IN TAMIL NADU ACTUALLY  
INCREASED AFTER THE DECLARATION OF THE EMERGENCY AS  
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EVIDENCED BY THE FACT THAT 750,000 MAN-DAYS WERE LOST IN THE

FIRST HALF OF 1975, COMPARED TO 950,000 MAN-DAYS LOST IN THE SECOND HALF OF 1975. FURTHER, IN JANUARY 1976, 350,000 MAN-DAYS WERE LOST, BUT IN THE FOLLOWING FIVE MONTHS, MAN-DAYS LOST WERE LESS THAN THE FIGURE FOR THE MONTH OF JANUARY ALONE. RAMANUJAM IMPLIED THAT THE IMPROVEMENT IN LABOR RELATIONS IN TAMIL NADU WAS SEEN ONLY AFTER THE IMPOSITION OF PRESIDENT'S RULE.

3. LABOR'S FAVORABLE RESPONSE TO THE EMERGENCY HAS BEEN EMOTIONAL SO FAR AND IS LIKELY TO WEAR OFF IF THE PRESENT TREND IN LABOR RELATIONS, WHICH HE DESCRIBED AS A ONE -WAY TRAFFIC FAVORING MANAGEMENT, CONTINUES. HE CLAIMED THAT LAY-OFF AND RETRENCHMENT IS INCREASING, IN THE PUBLIC AS WELL AS THE PRIVATE SECTOR, CITING THE RECENT RETRENCHMENT OF 130 WORKERS FROM GOVT-OWNED TRANSPORT CORPORATIONS. HE APPEALED TO MANAGEMENT TO AVOID LAY-OFFS AND RETRENCHMENT JUST AS LABOR HAS AVOIDED STRIKES AND SLOW-DOWNS.

4. RAMANUJAM ASSERTED THAT LABOR IS WILLING TO NEGOTIATE FOR BONUSES RELATED TO PRODUCTIVITY, BUT MANAGEMENT IS NOW UNWILLING TO ENGAGE IN SUCH NEGOTIATIONS BECAUSE THE PAYMENT OF BONUSES BASED ON PROFITS IS MORE ADVANTAGEOUS TO MANAGEMENT UNDER PRESENT ECONOMIC CIRCUMSTANCES.

5. RAMANUJAM DISCOUNTED STATISTICS OF LABOR PARTICIPATION IN MANAGEMENT, NOTING THAT WHILE THE GOVT CLAIMS THAT LABOR PARTICIPATION IN MANAGEMENT HAS BEEN BROUGHT ABOUT IN 250 OR 275 UNITS, THE LIST INCLUDES SOME TEXTILE FIRMS WHICH HAVE CLOSED DOWN OR ARE ON THE VERGE OF BANKRUPTCY. HE TOLD THE INDUSTRIALISTS NOT TO WORRY ABOUT LABOR PARTICIPATION IN MANAGEMENT AS SUCH PARTICIPATION IS NOT LIKELY TO BE ACTIVE. TO ILLUSTRATE THIS POINT, HE SAID THAT LABORERS DO NOT EVEN PARTICIPATE IN THE MANAGEMENT OF THEIR OWN UNIONS AND MOST WORKERS DO NOT KNOW THE NAME OF THEIR UNION BUT DESCRIBE THEMSELVES ONLY AS MEMBERS OF THE UNION LED BY A PARTICULAR LEADER. HE APPEALED FOR A MORE SINCERE EFFORT ON THE PART OF MANAGEMENT TO ENSURE EFFECTIVE LABOR PARTICIPATION.

6. RAMANUJAM PLEADED FOR A STRENGTHENING OF THE MACHINERY  
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FOR RESOLVING LABOR DISPUTES BY PROVIDING FOR THE INTERVENTION OF A NEUTRAL UMPIRE WHOSE DECISION WOULD BE BINDING ON BOTH SIDES IN CASES WHERE THEY FAIL TO AGREE. HE SUGGESTED THAT THE TRADE UNION ACT BE AMENDED TO ESTABLISH CRITERIA FOR TRADE UNION ACTIVITIES AND THAT ONLY THOSE UNIONS SATISFYING THESE CRITERIA SHOULD BE ALLOWED TO OPERATE.  
SIGNED MCCASKILL.  
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